

VZCZCXYZ0002
RR RUEHWEB

DE RUEHOT #0145/01 0262018
ZNR UUUUU ZZH
R 262018Z JAN 07
FM AMEMBASSY OTTAWA
TO RUEHC/SECSTATE WASHDC 4854
INFO RUEHMO/AMEMBASSY MOSCOW 2140

UNCLAS OTTAWA 000145

SIPDIS

SIPDIS

STATE FOR WHA/CAN
STATE PASS TO USITC FOR LYN SCHLITT

E.O. 12958: N/A

TAGS: [ETRD](#) [OTRA](#) [ASEC](#) [ECON](#) [CA](#) [RU](#)

SUBJECT: USITC Antidumping Investigation on remand of silicon metal from Russia: Request for Information.

REF: SECSTATE 4821

¶1. Summary: Our investigation reveals that the only producer in Canada of the product in question is Becancour Silicon, to which ITC has already presented a detailed questionnaire. Post compiled some trade data. However, free publicly available trade data is available from the national statistical agency (Statistics Canada) only at the HS-6 level; to obtain HS-8 level data one must purchase the data. Data at the HS-8 level would require expenditure of funds, and this could be undertaken directly by USITC staff via the Statistics Canada website. End summary.

¶2. As directed in reftel post sought information from the public domain on industry-wide information relating to Canada's production of silicon metal during the period January 1999 to September 2002. Import and export statistics are available free from the national statistical agency (Statistics Canada) at the HS 6-level. Post was able to obtain figures for HS 2804.69 (Silicon less than 99.99% pure); this data includes but is not limited to materials covered by U.S. HS 2804.69.10 and HS 2894.69.50. Data at the 8-digit HS code level is available for a fee from Statistics Canada (see para 4).

¶3. The questions (Q) posed in ref cable are reproduced below, followed by our responses (A).

Q - Number and names of firms producing and/or exporting the subject merchandise and any relevant history of the development of the industry;

A - In Canada there is only one firm producing and/or exporting the subject merchandise: Becancour Silicon. According to the United States Geological Survey Minerals Yearbook, Becancour produces high-quality chemical and electronic-grade silicon metal and specialty ferrosilicon. Prior to 1999 the company was known as SKW Canada Inc. and was a subsidiary of Germany's VIAG AG. In 1999 it was sold to Safeguard International Fund, L.P., an international private equity fund with offices in Wayne, PA, and Frankfurt, Germany and the company became Becancour Silicon Inc. In September 2004 Safeguard International sold Becancour Silicon to Timminco of Toronto for Canadian \$34 million (US \$25.6 million in 2004 dollars). Both companies are in fact partially owned by the Safeguard International Fund LP group of companies, which is headed by Heinz Schimmelbusch the former Chairman of the Management Board of Metallgesellschaft AG, Germany, a multi-billion dollar, multi-national company. Mr. Schimmelbusch is Director of the Board of Timminco. Because the company's Silicon sales are principally to the United States and to Germany the strength of its market is susceptible to the strengthening of the Canadian dollar relative to the US dollar and the Euro.

Q - Production (quantity), capacity (quantity), capacity utilization (in percent), and home market shipments (quantity and value) for calendar years 1999, 2000, and 2001, and January-September 2001 and January-September 2002;

A - According to company figures the Becancour plant located south-west of Quebec City has an annual production capacity of 28 000 metric tonnes (31,000 short tons) for ferrosilicon and 28 000 metric tonnes for metallic silicon. In 1997, the plant operated at 100% capacity in both cases and employed a work force of 200. (The most recent statements by the company (2006) describe total production capacity of 50,000 metric tonnes or 55,000 short tons, per year.)

Q - Exports (quantity and value) for calendar years 1999, 2000, and 2001, and January-September 2001 and January-September 2002 to: (1) Q2001, and January-September 2001 and January-September 2002 to: (1) the United States, (2) other major markets (specify), and (3) total to all markets (if possible please explain any shifts in major export markets during these periods);

A - HS 2804.69 (silicon less than 99.99% pure. Further detailed statistics can be obtained from Statistics Canada for a cost.

1999:

USA: C\$60.923 million (about US\$42 million in 1999)

Other major markets:

Germany: C\$23.377 million (about US\$16 million)

France: C\$0.973 million (about US\$ 670,000)

Subtotal Top three markets: C\$85.273 million (US\$59.4 million)

All markets: C\$89.673 million (us\$62.1 million)

2000:

USA: C\$73.141 million (about US\$48.75 million in 2000)

Other major markets:

Germany:C\$27.952 million (about US\$18.63 million)

France: N/A

Subtotal Top three markets: C\$101.093 million (about US\$67.94 million)

All markets: C\$105.012 million (about US\$70.06 million)

2001:

USA: C\$42.725 million (about US\$26.84 in 2001)

Other major markets

Germany: C\$26.686 million (about US\$16.76 million)

France: C\$7.977 million (about US\$5.01 million)

Subtotal Top three markets: C\$77.388 million (about US\$48.59 million)

All markets: C\$80.906 million (about US\$50.8 million)

Jan - Sept 2001:

Unavailable

Jan - Sept 2002:

Unavailable

Q - Finished inventories held in host country as of December 31 of 1999, 2000, and 2001, and January-September 2001 and January-September 2002;

A - Unknown

-- Projected changes in production, capacity, or capacity utilization in 2002 and 2003 that would have reported in September 2002;

A - Unknown

Q - Intentions or projections as to the quantity of host country exports to the United States or to other major markets in 2002 and 2003 that would have reported in September 2002; and

A - Unknown.

Q - The extent to which host country exports were limited January

1999-September 2002 by tariff barriers, especially by antidumping findings or remedies, and by restraint agreements (both formal and informal) or other nontariff measures,.

A - Unknown

¶4. Export and Import Data, at the HS-8 and Hs-10 level for this product can be accessed, for a fee, from Statistics Canada online at the following URL:

http://www.statcan.ca/trade/scripts/trade_sea_rch.cgi

Wilkins